

The California Debt and Investment Advisory Commission (CDIAC)

**FIRST ADDENDUM to
REQUEST FOR PROPOSAL-Secondary
Notice to Prospective Proposers**

RFP No. CDIAC06-12

December 17, 2012

This Request for Proposal (RFP), entitled CDIAC06-12 Update to the California Debt Issuance Primer, for the California Debt and Investment Advisory Commission (CDIAC), is hereby amended as follows:

Section C, Proposal Requirements and Information, #4 Cost Detail Format and Requirements; Attachment 3 of Section E; and Exhibit B of the Sample Standard Agreement are amended as attached hereto. The RFP is corrected to reflect cost breakdown and estimated percent of participation of personnel in addition to qualified team members that will perform the work described in response to this proposal.

If you have questions regarding this Addendum or should you need any clarifying information, please contact:

Angelica Hernandez
California Debt and Investment Advisory Commission (CDIAC)
(916) 653-3269
ahernandez@treasurer.ca.gov

Please note that any *verbal* information given will not be binding upon the State unless such information is issued in writing as an official addendum.

4) Cost Detail Format and Requirements

The proposer must provide a breakdown of the hourly rates of all team members and other personnel including subcontractors and administrative staff, as well as an estimated percentage of effort each will contribute to the project (Needs Assessment and Update and Revision). Based on an assumed project requiring 100 hours, those figures must be calculated as shown in the chart below and on Attachment 3 of Section E, to arrive at a cost figure for evaluation purposes. The hourly rates will be the rates at which the Proposer will be paid if awarded a contract. However, the total cost will be capped at \$25,000 for the Needs Assessment and \$175,000 for the Update and Revision. For purposes of completing the chart, each individual's hourly rate must be listed separately. For instance, as shown below, if more than one attorney will be working on the project, those rates and the percentage of effort must be listed separately. (The example is intended for demonstration only and actual staffing may differ from what appears below.) The percentage of effort must add up to 100%. All hourly rates, categories of team members, and percentage (%) of effort must be provided for a proposal to be considered responsive. In addition, resumes or similar information must be included as an attachment to the proposal for each team member (does not include administrative support staff).

DIRECT LABOR COSTS

HOURLY RATES FOR NEEDS ASSESSMENT AND UPDATE AND REVISION

Category	Hourly Rate	% of Effort (estimated)	TOTAL *
Counsel #1	\$500	10	\$ 5,000
Counsel #2	\$400	20	\$ 8,000
Paralegal	\$150	10	\$ 1,500
F. Advisor	\$250	30	\$ 7,500
Underwriter	\$300	20	\$ 6,000
Clerical	\$ 50	10	\$ 500
SUBTOTAL			\$30,500

* TOTAL must be calculated based on an assumption of a 100 hour project. As a result, 10% of the 100 hours for Counsel #1 is computed as 10 hours x \$500 = \$5,000. Please note that 100 hours is used for evaluation purposes only and should not be construed by potential bidders as CDIAC's expectation that the Needs Assessment and Update and Revision phases will take 100 hours.

DIRECT COSTS FOR NEEDS ASSESSMENT (EXCEPT LABOR)

Equipment and Supplies (Itemized) \$ _____
Other Direct Costs (Itemized) \$ _____

DIRECT COSTS FOR UPDATE AND REVISION (EXCEPT LABOR)

Equipment and Supplies (Itemized) \$ _____
Other Direct Costs (Itemized) \$ _____

TOTAL COST PROPOSAL (Add direct labor costs and direct costs) \$ _____

Costs for equipment, supplies, and other direct costs must be itemized with a detailed description and basis for each item. Travel will not be paid for or reimbursed under the contract.

Lowest total cost proposal will be awarded the maximum cost points (30 points). Proposals are awarded cost points based on the following calculation:

$(\text{Lowest bidder's total cost proposal} / \text{Bidder's total cost proposal}) = (\text{factor})$

$(\text{factor}) \times \text{maximum cost points} = \text{Bidder's cost points}$

EXAMPLE: Bidder A's total cost proposal is \$500,000.
Bidder B's total cost proposal is \$600,000.
Bidder C's total cost proposal is \$700,000.

Bidder A has the lowest total cost proposal, and thus, will receive 30 points which is the maximum possible cost points.

Cost points calculation for Bidder B: $(500,000 / 600,000) = (0.83)$

$(0.83) \times 30 = 24.9$ cost points for Bidder B

Cost points calculation for Bidder C: $(500,000 / 700,000) = (0.71)$

$(0.71) \times 30 = 21.3$ cost points for Bidder C

ATTACHMENT 3

COST PROPOSAL WORKSHEET

DIRECT LABOR

As described in Section C.4 of the RFP, the proposer must provide a breakdown of the hourly rates of all team members and other personnel, including subcontractors and administrative staff, as well as an estimated percentage each individual will contribute to the project, based on an assumed project of 100 hours. Before completing this Attachment 3, proposers should review Section C.4.

Name	Category	Hourly Rate	% of Effort (estimated)	TOTAL*
------	----------	-------------	-------------------------	--------

SUBTOTAL \$_____

* TOTAL must be calculated based on an assumption of a 100 hour project. As a result, for each individual listed, the percentage (%) of effort should be multiplied by the hourly rate to come up with the total each individual is anticipated to contribute to and bill on the assumed project. The percentage (%) of effort column should add up to 100%. Please note that 100 hours is used for evaluation purposes only and should not be construed by potential bidders as CDIAC's expectation that the Needs Assessment and Update and Revision phases will take 100 hours. **The total cost for the Needs Assessment will be capped at \$25,000, and the total cost for the Update and Revision will be capped at \$175,000.**

DIRECT COSTS FOR NEEDS ASSESSMENT (EXCEPT LABOR)

Equipment and Supplies (Itemized)	_____
-----------------------------------	-------

Other Direct Costs (Itemized)	_____
-------------------------------	-------

SUBTOTAL \$_____

DIRECT COSTS FOR UPDATE AND REVISION (EXCEPT LABOR)

Equipment and Supplies (Itemized)	_____
-----------------------------------	-------

Other Direct Costs (Itemized)	_____
-------------------------------	-------

SUBTOTAL \$_____

Costs for equipment, supplies, and other direct costs must be itemized with a detailed description and basis for each item. Travel will not be paid for or reimbursed under the contract.

TOTAL COST (This total should reflect Direct Labor Costs + Direct Costs and will be the cost amount utilized by CDIAC to evaluate proposals. Please note that if no Direct Costs are included in a proposal, contractor will not be able to bill Direct Costs. In addition, Direct Costs should accurately reflect the bidder's expected costs.)

\$_____

EXHIBIT B
(Standard Agreement)

	<u>Name</u>	<u>Category</u>	<u>Hourly Rate</u>	<u>% of Effort (estimated)</u>
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				

DIRECT COSTS FOR NEEDS ASSESSMENT (EXCEPT LABOR)

Equipment and Supplies (Itemized) _____

Other Direct Costs (Itemized) _____

Costs for equipment, supplies, and other direct costs must be itemized with a detailed description and basis for each item. Travel will not be paid for or reimbursed under the contract.

The total cost for the Needs Assessment shall not exceed \$25,000.

The total cost for the Update and Revision, if the Contractor is selected to provide such services, shall not exceed \$175,000.